





Date: November 10, 2014

To: Patrick H. West, City Manager 

From: John Gross, Director of Financial Management  
Debbie Mills, Director of Human Resources 

For: Mayor and Members of the City Council

Subject: **Project Labor Agreements: Information on Use in Cities / Counties**

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### **Background**

This memo provides further information on California cities and counties that have passed policies or used Project Labor Agreements (PLAs) to assist the City Council as they consider this issue on November 11, 2014. This information was requested as part of the July 22, 2014 City Council meeting. A previous memo dated November 6, 2014 was provided to the City Council describing a potential two-year pilot program for a PLA and a First Source Hiring program. This memo also provides additional information on the time needed for the negotiation of a PLA and the potential fiscal issues, should the City Council wish to proceed with a PLA.

### **Cities / Counties that Use PLAs for All Projects**

City staff has performed a review to attempt to determine cities and counties that have signed agreements for PLAs on all projects. That review found that six cities use PLAs for all projects, two counties currently have PLAs, one county had a PLA from 2000 to 2005 then discontinued it, and one county is currently negotiating a PLA.

City/County	Dollar Threshold (General Work / Specialty Work)	Notes
City of Berkeley	Over \$1,000,000	
Contra Costa County	Over \$1,000,000	
City of Carson	\$125,000 / \$25,000	
City of Compton	Unknown	
City of San Fernando	\$150,000 / \$25,000	Extension of 2005 PLA to 2015
City of El Monte	Unknown	
City of Watsonville	\$600,000	
Orange County	\$225,000 / \$15,000	Initiated in 2000 for 5 years. Terminated in 2004 after the PLA expired.
Port of Los Angeles	N/A	Port-wide PLA covering 42 specified projects
Solano County	\$10,000,000	PLA for all projects over \$10 million. Project-specific considered over \$1 million
Sonoma County	N/A	Under consideration - not yet final
Santa Barbara County		Under consideration – not yet final

### Cities / Counties Using Project-Specific PLAs

The review also looked at cities and counties that use PLAs on a project-specific basis. These PLAs are negotiated specifically for certain projects. The review found that 18 cities use PLAs on a project-specific basis, including most of the major cities in California. One county uses project-specific PLAs, as do two ports. Long Beach has used project-specific PLAs both through the City and the Port of Long Beach.

Cities/Counties that have Executed Project Specific PLAs	
City of Los Angeles	City of San Jose
City of West Sacramento	County of Santa Clara
City of Oakland	City of Vallejo
City of Anaheim	Port of Oakland
City of Sacramento	City of Concord
City of Long Beach	City of Richmond
Port of Long Beach	City of Brentwood
City of San Diego	City of Pasadena
City of San Francisco	City of Baldwin Park
City of San Mateo	City of Roseville

### Minimum Dollar Thresholds, Included Projects, and Agreement Timeframe

A key factor of a PLA is the minimum dollar threshold and what types of projects are included in the PLA. Projects can be limited to those typically performed by the building trades such as facility construction, but some PLAs appear to include other work. The pilot project proposed by staff covered building trade projects through a PLA, with other projects covered by a First Source Hiring Agreement. If the City Council wishes to proceed with a PLA for all projects, further direction is needed on projects such as road work, storm drain maintenance, gas pipeline work, emergency repairs, Harbor and Water projects. Also, additional direction is requested on the dollar amount for projects. A low dollar amount such as \$25,000 on single-trade projects, particularly one below the current City Council-required bid limits or ones that preclude Job Order Contracts, will likely add time, effort, and cost to smaller projects. This issue has not previously been studied by staff as it has not typically been in many PLAs.

Staff has reviewed and updated the list of budgeted projects for what appear to be construction multi-trade projects (normally applicable to PLAs) and non-multi-trades projects that may be outside the traditional PLA. In addition, budgeted projects have been added to both lists that are in excess of \$500,000. Those lists are attached and include projects from prior years that have not yet begun. At this time, we have 47 projects that are budgeted at \$1,000,000 or greater. Lowering the threshold to \$500,000 would add 24 projects. However, there are likely more projects than are on the list as grant projects are typically added during the year and are not budgeted in advance. It is also noted that these projects may include some that may be excluded in part or in whole from being under a PLA due to funding restrictions. PLA provisions typically take that into account. For next year, more projects would be added. This list is only the projects for this year.

### **Time Needed to Review and Negotiate a PLA**

Should the City Council move forward with a PLA, City staff requests time to bring on a consultant and research a variety of issues, determine how the City needs to adjust its purchasing processes and resources to deal with new requirements, and then negotiate agreement specifics, particularly if low minimum dollar amounts are to be included in the PLA. It is estimated that six months is required to perform the research, design realignments to City purchasing processes, and negotiation.

### **Fiscal Impact**

A Citywide PLA is expected to have a fiscal impact. The negotiation and research will require significant effort, staff time, and the assistance of consultant expertise. Additionally, at a minimum, PLAs require significant monitoring, including a "Community Workforce Coordinator," which will be paid for from the available project funds or may need to be created in the budget as a new permanent position. Monitoring costs on smaller projects in particular will likely constitute a much larger proportion of the total project costs than on larger projects. If City Council also wishes to monitor or evaluate effectiveness of the PLA in terms of goals of City resident hiring and training, impact on Purchasing and bid costs and participation of disadvantage businesses, additional efforts and costs will be required.

A specific fiscal impact is not currently available, as a number of factors have not yet been determined. Should the City Council wish to move forward and provides additional direction, staff will be in a better position to provide more information about the costs needed to negotiate a PLA and potential costs once fully implemented.

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### **ATTACHMENTS**

CC: JYL MARDEN, INTERIM ASSISTANT CITY MANAGER  
TOM MODICA, DEPUTY CITY MANAGER

## Potential Multi-Trade Budgeted Construction Projects

### Construction Projects between \$500,000 and \$1 million

1	Queensway Bay Restroom	\$715,000
2	Pine Avenue Public Dock	\$900,000
3	Junior Lifeguard Improvements	\$500,000
4	Bayshore Lifeguard Improvements	\$600,000
5	Marine Stadium Judging Stand	\$500,000
6	Beach Staircase Improvements	\$765,000
7	Shoreline Village Deck Replacement	\$700,000
8	Baggage Handling System & Ticket Counter Improvements	\$550,426
9	Airport Security Improvements	\$625,225
10	Airport Terminal Improvements	\$500,000
11	Bridge Rehabilitation and Seismic Retrofit	\$500,000
12	LBGO Facility Work	\$500,000

### Construction Projects of \$1 million or Greater

1	Tideland Area Restroom Rehab	\$2,515,000
2	Alamitos Beach Restroom & Concession Stand Rehab	\$1,000,000
3	Seaside Way Pedestrian Bridge	\$9,515,000
4	Leeway Sailing Center Rebuild	\$4,800,000
5	Belmont Aquatics Center	\$103,100,000
6	Beach Restrooms	\$2,000,000
7	Other Tidelands Projects	\$2,000,000
8	North Library (already bid)	\$15,900,000
9	East Police Station (already bid)	\$8,000,000
10	Fire Station Workforce Privacy Improvements	\$1,500,000
11	Airport Area Improvements	\$2,449,000
12	Airport Parking Structure	\$1,000,000
13	Airport Rental Car Facility	\$2,300,000
14	Bridge Rehabilitation	\$1,000,000

## Potential Non-Multi-Trade Budgeted Construction Projects

### Construction Projects between \$500,000 and \$1 million

1	Marina Vista Park Electrical Pad	\$530,000
2	Appian Way Low Flow Diversion	\$700,000
3	Sorrento Right-of-Way Improvements	\$900,000
4	Seaside Way Street and Drainage Improvements	\$500,000
5	Arbor Rd. Relief Drain	\$500,000
6	Bixby Rd, between Atlantic Ave and Orange Ave	\$800,000
7	Myrtle Ave. between Artesia Blvd and Pacific Coast Hwy	\$600,000
8	7th St between Alamitos Ave and Long Beach Blvd	\$900,000
9	Long Beach Bike Lane Connectors	\$888,500
10	Prop A Transit - Related Improvements	\$825,000
11	ADA Response Program	\$500,000
12	Sustainable Transportation Improvements	\$675,000

### Construction Projects of \$1 million or Greater

1	Tidelands Parking Lots	\$5,993,000
2	Life Guard Towers Replacement	\$1,560,000
3	Rainbow Lagoon Pump Station	\$1,000,000
4	Cherry Beach Improvements	\$1,750,000
5	Alamitos Park	\$3,500,000
6	El Dorado Park Infrastructure	\$1,000,000
7	Willow Springs Park	\$1,000,000
8	Bixby Park	\$1,000,000
9	Recreation Park	\$1,000,000
10	Artificial Turf Fields	\$2,000,000
11	Deforest Wetlands	\$6,500,000
12	Willow Street Pedestrian Improvements	\$1,362,000
13	Davenport Park Phase 2	\$1,000,000
14	Citywide Irrigation Upgrade and Replacement	\$1,000,000
15	Storm Drain Pump Repair & Certification	\$1,000,000
16	Alamitos Ave Btwn 7th & Orange Ave	\$1,500,000
17	Artesia Blvd. Btwn Western City Boundary	\$1,400,000
18	Cherry Ave. Btwn Ocean Blvd. And PCH	\$2,100,000
19	Ocean Blvd. Btwn Livingston Dr. and Bayshore Ave	\$1,900,000
20	Santa Fe. Ave btwn Spring St and Wardlow	\$2,000,000
21	Bike System Gap Closure	\$1,325,000
22	Ocean Blvd. Corridor Traffic Improvements	\$2,400,000
23	Major and Secondary Highway Program	\$10,430,000
24	Airport Pavement Rehabilitation (Runway 7L-25R Rehab)	\$14,040,000
25	Airport Pavement Rehabilitation (Taxiways E&F, Phase 2)	\$2,800,000
26	Colorado Lagoon	\$5,000,000
27	Citywide Residential Street Repair	\$4,925,000
28	Citywide Infrastructure Improvements (Sidewalks)	\$3,000,000
29	Traffic and Pedestrian Signals	\$1,250,000
30	Service Pipeline Replacement	\$1,100,000
31	Cooperative Infrastructure Improvements	\$3,850,000
32	Irrigation System Replacement	\$2,000,000
33	Game Field Upgrades	\$1,269,000

